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1 August 1975

MEMORANDUM FOR: Chairman IHC	•
SUBJECT : Project Status of the Washington Image Transmission System	
1. As you know, the Comptroller on 18 June in reply to General Wilson's request of 6 June released to CIA's Office of Communication (OC). OC, in turn, entered into a sole source, cost-plus-fixed-fee contract during the week of	25X1
The contract was scrutinized and approved by	25X1
the full CIA Contract Review Board. Subsequent contracts for equipment purchase and installation will be let on a fixed-price basis.	25X1
2. The 90-day so-called "Phase I" contract is for system definition and customer specifications engineering of the photofacsimile network, now designated as the Washington Image Transmission System (ITS). Also included in the contract is	•
the production of three send/receive sets of terminal equipment which will be used in to check out the network switching logic. IOC for a ten-station network in Washington has been set by OC as 1 October 1976, the additional seven stations to be built under "Phase II" with FY '76 monies.	25X1
3. OC, with direction from IHC, has had several meetings with the contractor. The first, held in Washington on 2 July, discussed the overall system concept, draft specifications for the switch, and customer requirements for the terminals. Some of the system characteristics agreed to at the first meeting were:	
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- 4. The second technical discussion between the OC project engineer and the contractor was held at the plant in on 28 and 29 July. I again attended as your representative. Briefly, the contractor's efforts at both design and management are most professional. At this point in time we are on schedule and anticipate no problem during "Phase I."
- 5. Some milestones affecting "Phase II" are potential problems, however. First, OC requires a definitive list of subscribers from IHC on or about 1 September 1975 in order to commence obtaining communications lines. Second, the Phase II contract should be let on or about 1 October 1975 in order to meet IOC twelve months later.

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